

From: "Jan Hermesen" <jhermsen@jhmtg.com> on 04/08/2008 07:25:02 PM

Subject: Regulation Z

To: Board of Governors of the Federal Reserve System
Re: Proposed Rule Amending Regulation Z
Via e-mail

From: Janice Hermesen, Loan Consultant
Former Qualifying Employee for many mortgage companies in the
last 10 years
Reno, NV

Dear Board of Governors:

I received an e-mail from the National Association of Mortgage Brokers outlining in detail the Proposed Rule Amending Regulation Z. I am very disturbed by this proposition.

I believe in providing the consumer the most complete information possible to ensure they receive the best loan in their situation. I also believe I, and others in my profession, deserve to make a fair amount of money for the services we render. In providing these services to my clients, it is necessary to know their specific goals and financial status in order to evaluate and make recommendations for their loan.

By requiring mortgage brokers to determine a fee for service prior to taking an application, we are being asked to blindly quote without knowing in advance how much work will be required or the type of loan the customers need! How is this benefiting them?

If I have an A paper borrower, it is likely I will be able to provide financing in a traditional loan product with minimal processing and paperwork. If that same A paper borrower is trying to purchase an investment property and that property is not conventional, I would likely have to charge more for that loan due to the additional time required to process and close their loan. If I don't know that in advance (no application), I would be working for less than what I would be due. It is likely that one might opt to charge higher fees to the client "to protect oneself" in the event it might be more costly to do their loan. How does that benefit the consumer?

If I am competing against a direct lender who is not required to provide the same disclosures, how is that benefiting the consumer? Most consumers do not know the difference between a direct lender and a broker. My own family had to be versed in this.

Many consumers are confused by the numerous disclosures we provide already. They do not always understand and usually comment under their breath about all the wasted paper. This seems contrary to what is intended. Of course, in the process of doing business, we strive to educate our clients about the need for disclosure but when it only lends to confusion for the very people we are trying to help, I believe an even playing field in the industry is a better choice than disclosure for brokers but not for direct lenders.

Please consider alternatives to the proposed regulation which would

protect consumers in their dealings with all mortgage originators, and encourage competition based on price and service not determined by whether you are a direct lender or mortgage broker. All originators should be treated equally which will benefit the consumer and eliminate some confusion.

Finally, thank you for giving me the opportunity to make a statement and provide my viewpoint. I believe it is important to communicate what we are experiencing in the field and I appreciate your willingness to listen.

Regards,

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